

FISCAL NOTE

SB 2791 - HB 3048

March 6, 2008

SUMMARY OF BILL: Requires any agency that is responsible for administration of state and local public benefits to verify the identity of each applicant, verify the immigration status of any applicant, and make a written report to federal immigration authorities for any violation of federal immigration law. Failure to report violations of immigration law is a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$9,077,200/Recurring
\$729,300/One-Time**

**Increase Local Revenue – Not Significant
Increase Local Expenditures* – Exceeds \$100,000**

Other Fiscal Impact - Any decrease in state expenditures as a result of prohibiting the delivery of certain public benefits to illegal immigrants is unquantifiable because it is unknown how many illegal immigrants currently receive such benefits. The process to determine immigrant status will lengthen the application process for many programs within state and local government. This may generate some offsetting costs. Such costs are unquantifiable. The Department of Health indicates that limiting participation in the WIC Program jeopardizes approximately \$121,869,700 in federal funds to the state. The Department of Mental Health and Developmental Disabilities indicates that implementing the provisions of the bill will jeopardize approximately \$10,800,000 in federal Medicare funds to the state. The Department of Children's Services indicates that the provisions of the bill will interfere with federal reunification requirements established by the Adoption and Safe Families Act which jeopardizes approximately \$80,300,000 in federal funds to the state.

Assumptions:

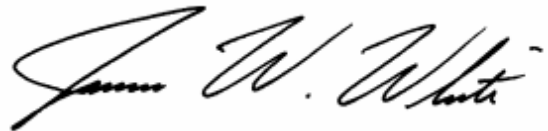
- Existing federal law requires proof of citizenship or legal immigration status to receive federal benefits. The TennCare program and all federal programs are administered through the Department of Human Services (DHS). Since many of the recipients of the federally funded programs (either fully funded or partially funded) overlap, the citizenship status is being verified through the application process of the programs.
- The U.S. Department of Agriculture administers the Food Stamp program, the Child and Adult Care Food program, and the Summer Food Service Program. It is assumed that these programs will be excluded due to federal regulations.
- DHS contracts with local governments, agencies and non-profit organizations to operate several programs. It is estimated that the verification requirements will increase the administrative duties of the agencies. With a one percent increase in administrative costs, DHS will incur an increase in state expenditures of \$457,700.
- In 2006, there were approximately 1,965,160 encounters in county health departments.
- The Department estimates that each of the 89 rural county health departments will need two Public Health Office Assistants for verification and determination of qualified individuals. Nine Public Health Rep 2 positions will be needed for the early detection and treatment of the increased communicable diseases. Such is estimated to increase recurring state expenditures by \$6,340,600 for salary and benefits (\$5,134,200), travel (\$27,000), printing and duplication (\$20,000), supplies (\$130,900), rentals and insurance (\$766,700) and communication and technology services (\$261,800). There will be a one-time increase in expenditures of \$729,300 for office set-up and supplies.
- The Department also contracts for services with six metro health offices. There will be 16 additional positions to provide verification and determination of qualified individuals which is estimated to increase recurring expenditures by \$432,300.
- The Department of Mental Health and Developmental Disabilities will require 35 additional staff persons at Regional Mental Health Institutes across the state. The recurring increase in state expenditures associated with these positions is estimated to be approximately \$1,831,600.
- The federal status verification system (SAVE) will charge a \$25 fee per month for system access.
- There will be an increase in recurring expenditures exceeding \$85,500 for at least three computer links within each county of the 95 counties to access the SAVE program. The monthly fee for access is \$25 ($25 \times 95 \times 12 \times 3 = \$85,500$).

- There will be an increase in recurring state expenditures exceeding \$15,000 for at least 50 computer links to access the SAVE program. The monthly fee for access is \$25 ($\$25 \times 50 \times 12 = \$15,000$).
- Each query of the SAVE system will be subject to a fee of approximately \$0.25.
- There will be an increase in state and local government expenditures associated with such queries. Such increase is estimated to be less than \$100,000 to the state and less than \$100,000 to local governments.
- There will not be a sufficient number of Class A misdemeanor prosecutions for state or local governments to experience any significant increase in revenues or expenditures.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/cce